

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997


DOCKET NO. R97-1

THIRD SET OF INTERROGATORIES OF
MAGAZINE PUBLISHERS OF AMERICA
TO USPS WITNESS WADE
(MPA/USPS-T20-10-12)

(September 17, 1997)

Pursuant to the Commission's Rules of Practice, Magazine Publishers of America hereby submits the attached interrogatories to USPS witness Wade (MPA/USPS-T20-10-12).

Respectfully submitted,


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**INTERROGATORIES OF MAGAZINE PUBLISHERS OF AMERICA
TO UNITED STATES POSTAL SERVICE WITNESS WADE**

MPA/USPS-T20-10. Please refer to Exhibit 2, Derivation of Overall LDC 34 Volume Variability, of your direct testimony where you derive a volume variability for LDC 34 of 59.86 percent and Appendix F, Exhibit 2 Revised of your direct testimony where you derive a volume variability for LDC 34 of 61.18 percent

- a. Please confirm that the volume variability for Vehicle Service Drivers developed in your direct testimony was 59.86 percent and that this volume variability was based on a volume variability estimate for plants of 65.45 percent. If not confirmed, please explain fully.
- b. Please confirm that the volume variability for Vehicle Service Drivers developed in Appendix F of your testimony was 61.18 percent and that this volume variability was based on a volume variability estimate for plants of 66.92 percent. If not confirmed, please explain fully.
- c. Please derive the volume variability for LDC 34 based on a volume variability estimate for plants of 64.77 percent. Please revise Exhibit 2 to reflect this volume variability estimate
- d. Please confirm that the volume variability for LDC 34 based on a volume variability estimate for plants of 64.77 percent is more accurate than the volume variability estimates in parts a. and b. If not confirmed, please explain.
- e. Please confirm that the volume variability for LDC 34 based on a volume variability estimate for plants of 64.77 percent should be used to estimate volume-variable costs for Cost Segment 8 Vehicle Service Drivers. If not confirmed, please explain fully.

MPA/USPS-T20-11. Please refer to LR-H-261, Page 2, Lines 14 through 16 where you state: "There were also some additional instances where I noticed that something in the data needed potential correcting (a missing trip indicator or mis-matched vehicle capacity). For seven facilities, I made adjustments to the data where needed."


- a. For each facility where you made a correction, please describe how you determined that there was a mistake.
- b. For each facility where you made a correction, please describe how you knew the correct answer.

MPA/USPS-T20-12. Please refer to LR-H-261, Page 2 where it states. "The implicit assumption in the spreadsheets was that none of on-call time would be driving time."

- a. Please list all "implicit assumptions" underlying the calculation of variables used in your regressions.
- b. Please confirm that "implicit assumptions" reduce the precision of your estimates of the variables used in your regressions.
- c. Is it possible that the "implicit assumptions" used to calculate the variables used in your regressions bias any of the variables upward? Please explain fully
- d. Is it possible that the "implicit assumptions" used to calculate the variables used in your regressions bias any of the variables downward? Please explain fully.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.



James R. Oregan

Washington, D.C.
September 17, 1997